

**Fill in this information to identify the case:**

Debtor Name Joseph Martin Thomas

United States Bankruptcy Court for the: Western District of PA  
(State)

Case number: 20-10334-TPA

## Official Form 426

## Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of June 10, 2020 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

| Name of Controlled Non-Debtor Entity | Interest of the Debtor | Tab # |
|--------------------------------------|------------------------|-------|
| Greater Erie Surgery Center, LLC     | 83.61% Member          | 1     |
| 2374 Village Common Drive, LLC       | 100% Member            | 2     |

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

*Exhibit A* contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

*Exhibit B* describes the Controlled Non-Debtor Entity's business operations.

*Exhibit C* describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

*Exhibit D* describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

*Exhibit E* describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

**This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.**

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

☒

Signature of Authorized Individual

Printed name of Authorized Individual

Date

MM / DD / YYYY

For individual Debtors:

☒

Signature of Debtor 1

Joseph Martin Thomas

Printed name of Debtor 1

Date 06/10/2020

MM / DD / YYYY

☒

Signature of Debtor 2

Printed name of Debtor 2

Date

MM / DD / YYYY

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A: Financial Statements for** [Name of Controlled Non-Debtor Entity]

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See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A-1: Balance Sheet for [Name of Controlled Non-Debtor Entity] as of [date]**

[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A-2: Statement of Income (*Loss*) for [Name of Controlled Non-Debtor Entity] for period ending [date]**

[Provide a statement of income (*loss*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A-3: Statement of Cash Flows for [Name of Controlled Non-Debtor Entity] for period ending [date]**

[Provide a statement of changes in cash position for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for [Name of Controlled Non-Debtor Entity]  
for period ending [date]**

[Provide a statement of changes in shareholders'/partners equity (*deficit*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

None.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit B: Description of Operations for [Name of Controlled Non-Debtor Entity]**

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[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

See attached Exhibits



Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit C: Description of Intercompany Claims**

[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.

Describe the source of this information.]

None.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit D: Allocation of Tax Liabilities and Assets**

[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

**2374 Village Common Drive is a single member LLC owned 100% by the Debtor. The entity has collected rent from both Tri-State Pain Institute, LLC and Greater Erie Surgery Center, LLC. The income tax consequences of the activity are reported on the Debtor's personal tax return, and he is responsible for any income tax. Upon information and belief, there is no tax sharing agreement with any other entity.**

**The Debtor has an ownership interest in Greater Erie Surgery Center, LLC, which is a partnership for tax reporting purposes. His share of the income is reported on his personal tax return, and he is responsible for paying the income tax on his share of the partnership income. Upon information and belief, there is no tax sharing agreement with the partnership and partners.**

Debtor Name Joseph Martin Thomas

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**Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

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[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

None.

Joseph Martin Thomas  
Case No. 20-10334 TPA

***Periodic Report Regarding Value, Operations, Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest***

TAB NO. 1

**Greater Erie Surgery Center, LLC****Balance Sheet****As of March 31, 2020**

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06/05/20

Accrual Basis

|  | Mar 31, 20          |
|--|---------------------|
| <b>ASSETS</b>                          |                     |
| <b>Current Assets</b>                  |                     |
| Checking/Savings                       |                     |
| 1025 · NW Savings Checking             | 275,889.87          |
| <b>Total Checking/Savings</b>          | <b>275,889.87</b>   |
| <b>Other Current Assets</b>            |                     |
| 1100 · Accounts Receivable             | 183,748.34          |
| 1150 · Due from Tri-State Pain         | 136,690.85          |
| 1160 · Loan to Dr Thomas               | 24,217.00           |
| 1300 · Partner Receivable - Thomas     | 3,250.00            |
| 1400 · TSPI Working Capital Loan       | 300,000.00          |
| <b>Total Other Current Assets</b>      | <b>647,906.19</b>   |
| <b>Total Current Assets</b>            | <b>923,796.06</b>   |
| <b>Fixed Assets</b>                    |                     |
| 1500 · Equipment                       | 986,628.39          |
| 1510 · Building                        |                     |
| 1510.1 · HVAC                          | 18,905.00           |
| 1510.15 · Elevator                     | 27,611.00           |
| 1510 · Building - Other                | 1,298,965.02        |
| <b>Total 1510 · Building</b>           | <b>1,345,481.02</b> |
| 1520 · Furniture and Fixtures          | 42,632.07           |
| 1525 · Software                        | 12,137.08           |
| 1600 · Accum. Depr-Equipment           | -782,271.03         |
| 1610 · Accum. Depr-Building            | -310,495.69         |
| 1620 · Accum. Depr-Furniture&Fixtures  | -38,303.49          |
| 1625 · Accum. Depr-Software            | -10,652.95          |
| <b>Total Fixed Assets</b>              | <b>1,245,155.40</b> |
| <b>Other Assets</b>                    |                     |
| 1325 · Partner Receivable - Diefenbach | 150,000.00          |
| 1640 · Accumulated Amortization        | -6,156.12           |
| 1830 · Loan Costs                      | 39,778.00           |
| <b>Total Other Assets</b>              | <b>183,621.88</b>   |
| <b>TOTAL ASSETS</b>                    | <b>2,352,573.34</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                     |
| <b>Liabilities</b>                     |                     |
| <b>Current Liabilities</b>             |                     |
| Accounts Payable                       |                     |
| 2000 · Accounts Payable                | 645,012.18          |
| <b>Total Accounts Payable</b>          | <b>645,012.18</b>   |
| <b>Other Current Liabilities</b>       |                     |
| 2100 · Accrued Interest Expense        | 1,740.69            |
| 2110 · Accrued Payroll                 | 13,263.43           |
| 2506 · Lease Payable - Mindray Capital | 23,862.72           |
| 2507 · Equipment Payable - US Bank     | -14,321.59          |
| 2508 · Equipment Finance Agreement     | 23,234.40           |
| <b>Total Other Current Liabilities</b> | <b>47,779.65</b>    |
| <b>Total Current Liabilities</b>       | <b>692,791.83</b>   |
| <b>Long Term Liabilities</b>           |                     |
| 2501 · Note Payable - Wells Fargo/SBA  | 693,933.65          |
| 2510 · Note Payable - Candor           | 1,161,609.94        |
| <b>Total Long Term Liabilities</b>     | <b>1,855,543.59</b> |
| <b>Total Liabilities</b>               | <b>2,548,335.42</b> |

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**Greater Erie Surgery Center, LLC**

06/05/20

**Balance Sheet**

Accrual Basis

**As of March 31, 2020**

|                                      | <u>Mar 31, 20</u>          |
|--------------------------------------|----------------------------|
| Equity                               |                            |
| 3000.01 · Dr. Thomas                 | 1,983,242.50               |
| 3000.05 · Candor Surgical Management | 812,793.59                 |
| 3000.06 · K.Biggers                  | 46,663.52                  |
| 3000.08 · Dr. Diefenbach             | 150,000.00                 |
| 3000.10 · Candor Promissory Note     | -1,261,569.00              |
| 3007 · Sample Property/GEMB          | 40,000.00                  |
| 3100 · Retained Earnings             | -2,027,410.27              |
| Net Income                           | 60,517.58                  |
| Total Equity                         | <u>-195,762.08</u>         |
| TOTAL LIABILITIES & EQUITY           | <u><u>2,352,573.34</u></u> |

**Greater Erie Surgery Center, LLC****Balance Sheet****As of December 31, 2019**

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06/05/20

Accrual Basis

|  | Dec 31, 19          |
|--|---------------------|
| <b>ASSETS</b>                          |                     |
| <b>Current Assets</b>                  |                     |
| Checking/Savings                       |                     |
| 1025 · NW Savings Checking             | 213,592.22          |
| <b>Total Checking/Savings</b>          | <b>213,592.22</b>   |
| <b>Other Current Assets</b>            |                     |
| 1100 · Accounts Receivable             | 183,748.34          |
| 1150 · Due from Tri-State Pain         | 136,690.85          |
| 1300 · Partner Receivable - Thomas     | 3,250.00            |
| 1400 · TSPI Working Capital Loan       | 300,000.00          |
| <b>Total Other Current Assets</b>      | <b>623,689.19</b>   |
| <b>Total Current Assets</b>            | <b>837,281.41</b>   |
| <b>Fixed Assets</b>                    |                     |
| 1500 · Equipment                       | 986,628.39          |
| 1510 · Building                        |                     |
| 1510.1 · HVAC                          | 18,905.00           |
| 1510.15 · Elevator                     | 27,611.00           |
| 1510 · Building - Other                | 1,298,965.02        |
| <b>Total 1510 · Building</b>           | <b>1,345,481.02</b> |
| 1520 · Furniture and Fixtures          | 42,632.07           |
| 1525 · Software                        | 12,137.08           |
| 1600 · Accum. Depr-Equipment           | -782,271.03         |
| 1610 · Accum. Depr-Building            | -310,495.69         |
| 1620 · Accum. Depr-Furniture&Fixtures  | -38,303.49          |
| 1625 · Accum. Depr-Software            | -10,652.95          |
| <b>Total Fixed Assets</b>              | <b>1,245,155.40</b> |
| <b>Other Assets</b>                    |                     |
| 1325 · Partner Receivable - Diefenbach | 150,000.00          |
| 1640 · Accumulated Amortization        | -6,156.12           |
| 1830 · Loan Costs                      | 39,778.00           |
| <b>Total Other Assets</b>              | <b>183,621.88</b>   |
| <b>TOTAL ASSETS</b>                    | <b>2,266,058.69</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                     |
| <b>Liabilities</b>                     |                     |
| <b>Current Liabilities</b>             |                     |
| Accounts Payable                       |                     |
| 2000 · Accounts Payable                | 561,298.02          |
| <b>Total Accounts Payable</b>          | <b>561,298.02</b>   |
| <b>Other Current Liabilities</b>       |                     |
| 2100 · Accrued Interest Expense        | 1,740.69            |
| 2110 · Accrued Payroll                 | 13,263.43           |
| 2506 · Lease Payable - Mindray Capital | 23,862.72           |
| 2507 · Equipment Payable - US Bank     | -10,355.59          |
| 2508 · Equipment Finance Agreement     | 23,234.40           |
| <b>Total Other Current Liabilities</b> | <b>51,745.65</b>    |
| <b>Total Current Liabilities</b>       | <b>613,043.67</b>   |
| <b>Long Term Liabilities</b>           |                     |
| 2501 · Note Payable - Wells Fargo/SBA  | 735,859.63          |
| 2510 · Note Payable - Candor           | 1,173,435.05        |
| <b>Total Long Term Liabilities</b>     | <b>1,909,294.68</b> |
| <b>Total Liabilities</b>               | <b>2,522,338.35</b> |

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**Greater Erie Surgery Center, LLC**

06/05/20

**Balance Sheet**

Accrual Basis

**As of December 31, 2019**

|                                       | <b>Dec 31, 19</b>   |
|---------------------------------------|---------------------|
| <b>Equity</b>                         |                     |
| 3000.01 · Dr. Thomas                  | 1,983,242.50        |
| 3000.05 · Candor Surgical Management  | 812,793.59          |
| 3000.06 · K.Biggers                   | 46,663.52           |
| 3000.08 · Dr. Diefenbach              | 150,000.00          |
| 3000.10 · Candor Promissory Note      | -1,261,569.00       |
| 3007 · Sample Property/GEMB           | 40,000.00           |
| 3100 · Retained Earnings              | -1,988,196.23       |
| Net Income                            | -39,214.04          |
| <b>Total Equity</b>                   | <b>-256,279.66</b>  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>2,266,058.69</b> |



**Greater Erie Surgery Center, LLC****Profit & Loss****January through March 2020**

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06/05/20

Accrual Basis

|  | Jan - Mar 20 |
|--|--------------|
| <b>Ordinary Income/Expense</b>         |              |
| <b>Income</b>                          |              |
| 4000 · Revenue                         | 971,552.56   |
| <b>Total Income</b>                    | 971,552.56   |
| <b>Cost of Goods Sold</b>              |              |
| <b>Cost of Surgical Services</b>       |              |
| 5010.01 · Disposables                  | 107,122.34   |
| 5010.03 · Instruments/Equip Parts      | 255,962.46   |
| 5010.04 · General                      | 71.42        |
| 5010.1 · Lease/Rent Medical Equip.     | 477.66       |
| 5015 · Medical Gases                   | 1,299.49     |
| 5030 · Hazardous Waste Disposal        | 210.00       |
| <b>Total Cost of Surgical Services</b> | 365,143.37   |
| <b>Total COGS</b>                      | 365,143.37   |
| <b>Gross Profit</b>                    | 606,409.19   |
| <b>Expense</b>                         |              |
| <b>Office Expenses</b>                 |              |
| 6120 · Other Office Expenses           | 878.45       |
| <b>Total Office Expenses</b>           | 878.45       |
| <b>Professional Fees</b>               |              |
| 6190 · Accounting & Auditing           | 1,062.50     |
| 6200 · Consulting Fees                 | 2,000.00     |
| 6210 · Legal                           | 1,145.00     |
| 6220 · Other Services                  | 2,462.10     |
| Professional Fees - Other              | 133,511.07   |
| <b>Total Professional Fees</b>         | 140,180.67   |
| <b>Repairs &amp; Maintenance</b>       |              |
| 6270 · Building                        | 147.15       |
| 6290 · Office Equipment                | 492.00       |
| 6300 · Janitorial Expense              | 4,740.00     |
| Repairs & Maintenance - Other          | 219.38       |
| <b>Total Repairs &amp; Maintenance</b> | 5,598.53     |
| <b>Service Agreements</b>              |              |
| 6320 · Clinical Equipment              | 5,664.86     |
| 6325 · Computer/IT/Office              | 29,575.48    |
| Service Agreements - Other             | 5,229.00     |
| <b>Total Service Agreements</b>        | 40,469.34    |
| <b>Supplies &amp; Equipment</b>        |              |
| 6360 · Office Supplies                 | 37.74        |
| Supplies & Equipment - Other           | 63.42        |
| <b>Total Supplies &amp; Equipment</b>  | 101.16       |
| <b>Utilities</b>                       |              |
| 6470 · Telephone                       | 3,592.74     |
| <b>Total Utilities</b>                 | 3,592.74     |

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**Greater Erie Surgery Center, LLC****Profit & Loss****January through March 2020**

06/05/20

Accrual Basis

|                                      | Jan - Mar 20      |
|--------------------------------------|-------------------|
| 6050 · Compensation-Salary           | 111,573.70        |
| 6070 · Bank Service Charges          | 274.21            |
| 6078 · Contract Labor                | 4,150.00          |
| 6090 · Insurance-General Insurance   | 2,348.07          |
| 6091 · Insurance - Key Man           | 1,426.10          |
| 6105 · Laundry, Linens and Uniforms  | 3,344.89          |
| 6168 · Dues and Subscriptions        | 400.00            |
| 6170 · Licenses and Fees             | 616.76            |
| 6260 · Rent-Building                 | 210,000.00        |
| 6370 · Meals/Ent - Local             | 870.82            |
| 66900 · Reconciliation Discrepancies | 15.99             |
| 6700 · Other Operating Expenses      | -15.99            |
| 9999 · Uncategorized                 | 449.02            |
| <b>Total Expense</b>                 | <b>526,274.46</b> |
| <b>Net Ordinary Income</b>           | <b>80,134.73</b>  |
| <b>Other Income/Expense</b>          |                   |
| Other Expense                        |                   |
| 6510 · Interest Expense              | 19,617.15         |
| <b>Total Other Expense</b>           | <b>19,617.15</b>  |
| <b>Net Other Income</b>              | <b>-19,617.15</b> |
| <b>Net Income</b>                    | <b>60,517.58</b>  |

**Greater Erie Surgery Center, LLC****Profit & Loss**

January through December 2019

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06/05/20

Accrual Basis

|  | Jan - Dec 19        |
|--|---------------------|
| <b>Ordinary Income/Expense</b>         |                     |
| Income                                 |                     |
| 4000 · Revenue                         | 3,261,895.78        |
| <b>Total Income</b>                    | <b>3,261,895.78</b> |
| <b>Cost of Goods Sold</b>              |                     |
| Cost of Surgical Services              |                     |
| 5000 · Cost of Services                | 50.69               |
| 5010.01 · Disposables                  | 262,447.06          |
| 5010.03 · Instruments/Equip Parts      | 879,785.76          |
| 5010.04 · General                      | 261.07              |
| 5010.05 · Medications                  | 26,242.50           |
| 5010.1 · Lease/Rent Medical Equip.     | 5,422.04            |
| 5015 · Medical Gases                   | 4,322.11            |
| 5030 · Hazardous Waste Disposal        | 945.00              |
| <b>Total Cost of Surgical Services</b> | <b>1,179,476.23</b> |
| <b>Total COGS</b>                      | <b>1,179,476.23</b> |
| <b>Gross Profit</b>                    | <b>2,082,419.55</b> |
| Expense                                |                     |
| Insurance/General Insurance            | 85.51               |
| Office Expenses                        |                     |
| 6120 · Other Office Expenses           | 3,853.45            |
| 6130 · Postage & Delivery              | 651.08              |
| Office Expenses - Other                | 385.45              |
| <b>Total Office Expenses</b>           | <b>4,889.98</b>     |
| Professional Fees                      |                     |
| 6190 · Accounting & Auditing           | 11,220.80           |
| 6200 · Consulting Fees                 | 8,275.00            |
| 6205 · Management Fee                  | 391,740.67          |
| 6210 · Legal                           | 5,676.63            |
| 6220 · Other Services                  | 8,307.60            |
| <b>Total Professional Fees</b>         | <b>425,220.70</b>   |
| Repairs & Maintenance                  |                     |
| 6270 · Building                        | 62.15               |
| 6300 · Janitorial Expense              | 17,380.00           |
| Repairs & Maintenance - Other          | 425.00              |
| <b>Total Repairs &amp; Maintenance</b> | <b>17,867.15</b>    |
| Service Agreements                     |                     |
| 6320 · Clinical Equipment              | 19,351.79           |
| 6325 · Computer/IT/Office              | 75,291.13           |
| <b>Total Service Agreements</b>        | <b>94,642.92</b>    |
| Supplies & Equipment                   |                     |
| 6330 · Equipment Rental                | 147.98              |
| 6360 · Office Supplies                 | 77.32               |
| Supplies & Equipment - Other           | 115.90              |
| <b>Total Supplies &amp; Equipment</b>  | <b>341.20</b>       |
| Utilities                              |                     |
| 6470 · Telephone                       | 11,990.22           |
| <b>Total Utilities</b>                 | <b>11,990.22</b>    |

**Greater Erie Surgery Center, LLC****Profit & Loss**

January through December 2019

10:39 AM

06/05/20

Accrual Basis

|                                     | Jan - Dec 19        |
|-------------------------------------|---------------------|
| 6050 · Compensation-Salary          | 524,339.60          |
| 6070 · Bank Service Charges         | 2,428.46            |
| 6078 · Contract Labor               | 40,265.95           |
| 6090 · Insurance-General Insurance  | 46,115.32           |
| 6091 · Insurance - Key Man          | 5,704.40            |
| 6105 · Laundry, Linens and Uniforms | 12,945.14           |
| 6110 · Other Expenses - Penalties   | 52,481.94           |
| 6168 · Dues and Subscriptions       | 3,763.35            |
| 6170 · Licenses and Fees            | 10,542.08           |
| 6230 · Promotion- Advertising       | 4.99                |
| 6260 · Rent-Building                | 780,000.00          |
| 6370 · Meals/Ent - Local            | 2,508.83            |
| 9999 · Uncategorized                | 728.16              |
| <b>Total Expense</b>                | <b>2,036,865.90</b> |
| <b>Net Ordinary Income</b>          | <b>45,553.65</b>    |
| <b>Other Income/Expense</b>         |                     |
| <b>Other Expense</b>                |                     |
| 6510 · Interest Expense             | 84,517.69           |
| 8000 · Donations                    | 250.00              |
| <b>Total Other Expense</b>          | <b>84,767.69</b>    |
| <b>Net Other Income</b>             | <b>-84,767.69</b>   |
| <b>Net Income</b>                   | <b>-39,214.04</b>   |

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06/05/20

**Greater Erie Surgery Center, LLC****Statement of Cash Flows**

January through March 2020

|  | <u>Jan - Mar 20</u>      |
|--|--------------------------|
| <b>OPERATING ACTIVITIES</b>  |                          |
| Net Income   | 60,517.58                |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                          |
| 1160 · Loan to Dr Thomas   | -24,217.00               |
| 2000 · Accounts Payable  | 83,714.16                |
| 2507 · Equipment Payable - US Bank   | -3,966.00                |
| Net cash provided by Operating Activities                                  | <u>116,048.74</u>        |
| <b>FINANCING ACTIVITIES</b>  |                          |
| 2501 · Note Payable - Wells Fargo/SBA                                      | -41,925.98               |
| 2510 · Note Payable - Candor   | -11,825.11               |
| Net cash provided by Financing Activities                                  | <u>-53,751.09</u>        |
| Net cash increase for period   | 62,297.65                |
| Cash at beginning of period  | <u>213,592.22</u>        |
| Cash at end of period  | <u><u>275,889.87</u></u> |

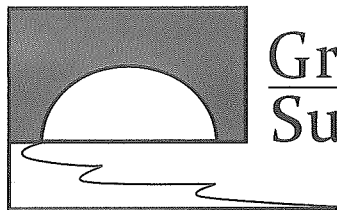
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06/05/20

**Greater Erie Surgery Center, LLC****Statement of Cash Flows**

January through December 2019

|  | <u>Jan - Dec 19</u>      |
|--|--------------------------|
| <b>OPERATING ACTIVITIES</b>  |                          |
| Net Income   | -39,214.04               |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                          |
| 2000 · Accounts Payable  | 49,461.18                |
| 2507 · Equipment Payable - US Bank   | -15,864.00               |
| Net cash provided by Operating Activities                                  | -5,616.86                |
| <b>FINANCING ACTIVITIES</b>  |                          |
| 2501 · Note Payable - Wells Fargo/SBA                                      | -162,420.99              |
| 2510 · Note Payable - Candor   | -46,534.28               |
| Net cash provided by Financing Activities                                  | -208,955.27              |
| Net cash increase for period   | -214,572.13              |
| Cash at beginning of period  | 428,164.35               |
| Cash at end of period  | <u><u>213,592.22</u></u> |



## Greater Erie Surgery Center, LLC

2374 Village Common Drive  
Suite 200  
Erie, Pennsylvania 16506  
PHONE: 814.790.5636  
FAX: 814-790-5654  
WEB: [www.eriesurgery.com](http://www.eriesurgery.com)

### Greater Erie Surgery Center summary of daily operations:

The Greater Erie Surgery Center is an ambulatory surgery center, also known as an ambulatory surgical facility, specializing in pain management procedures. The credentialed interventional pain management physicians and a neurosurgeon provide multiple different procedures and therapies for the treatment of pain in adult patients. Procedures the physicians are privileged to perform include, but are not limited to, epidural steroid injections, medial branch nerve blocks, nerve root blocks, facet joint injections, radiofrequency thermal ablations, pain pumps, and spinal cord stimulator implants. Our staff is comprised of Registered Nurses, Radiology Technicians, Surgical Technicians, Patient Care Assistants, Registration/Office Personnel, along with contracted Certified Registered Nurse Anesthetists when necessary. If ordered by the physician, a patient may be given IV conscious sedation or prescribed oral sedation to better tolerate the procedure. If a greater degree of sedation is needed, the physician will work with the CRNA to deliver anesthesia. Policies & Procedures are followed to maintain safe and effective patient care. License maintained through The Pennsylvania Department of Health and accreditation achieved through the AAAHC (Accreditation Association for Ambulatory Health Care).

Stephanie Spore, BSN, RN

Administrator/ Director of Nursing

Joseph Martin Thomas  
Case No. 20-10334 TPA

***Periodic Report Regarding Value, Operations, Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest***

TAB NO. 2



**2374 Village Common Drive, LLC****Balance Sheet**

As of March 31, 2020

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06/05/20

Accrual Basis

|  | Mar 31, 20          |
|--|---------------------|
| <b>ASSETS</b>                          |                     |
| <b>Current Assets</b>                  |                     |
| Checking/Savings                       |                     |
| 10000 · Wells Fargo Bank x8010         | 36,095.93           |
| Total Checking/Savings                 | 36,095.93           |
| Accounts Receivable                    |                     |
| 11000 · Accounts Receivable            | 997,000.00          |
| Total Accounts Receivable              | 997,000.00          |
| Other Current Assets                   |                     |
| 12100 · Security Deposits              | 15,195.50           |
| 12200 · Working Line of Credit Deposit | 5,000.00            |
| Total Other Current Assets             | 20,195.50           |
| Total Current Assets                   | 1,053,291.43        |
| <b>Fixed Assets</b>                    |                     |
| 15000 · Building                       | 4,550,545.17        |
| 15001 · HVAC                           | 1,193,585.62        |
| 15002 · Plumbing                       | 522,193.70          |
| 15003 · Flooring                       | 372,995.51          |
| 15004 · Electrical                     | 820,590.11          |
| 15005 · Land                           | 342,300.74          |
| 15006 · Loan Fees                      | 23,878.26           |
| 15007 · HVAC Improvments               | 32,750.00           |
| 17000 · Accumulated Depreciation       | -349,746.93         |
| 17500 · Accumulated Amortization       | -889.72             |
| Total Fixed Assets                     | 7,508,202.46        |
| <b>TOTAL ASSETS</b>                    | <b>8,561,493.89</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                     |
| <b>Liabilities</b>                     |                     |
| <b>Current Liabilities</b>             |                     |
| Accounts Payable                       |                     |
| 20000 · Accounts Payable               | 402,894.62          |
| Total Accounts Payable                 | 402,894.62          |
| Total Current Liabilities              | 402,894.62          |
| <b>Long Term Liabilities</b>           |                     |
| 25000 · Wells Fargo - Note Payable     | 3,577,310.95        |
| 25100 · SBA - Note Payable x2109       | 2,373,900.02        |
| 26000 · Loan Payable USB x5038 Rabe    | 29,468.80           |
| Total Long Term Liabilities            | 5,980,679.77        |
| Total Liabilities                      | 6,383,574.39        |
| <b>Equity</b>                          |                     |
| 30800 · Members Contribution           | 11,066.20           |
| 32000 · Members Equity                 | 2,073,916.21        |
| Net Income                             | 92,937.09           |
| Total Equity                           | 2,177,919.50        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>8,561,493.89</b> |

**2374 Village Common Drive, LLC****Balance Sheet****As of December 31, 2019**

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06/05/20

Accrual Basis

|  | Dec 31, 19          |
|--|---------------------|
| <b>ASSETS</b>                          |                     |
| <b>Current Assets</b>                  |                     |
| Checking/Savings                       |                     |
| 10000 · Wells Fargo Bank x8010         | 23,943.12           |
| Total Checking/Savings                 | 23,943.12           |
| Accounts Receivable                    |                     |
| 11000 · Accounts Receivable            | 907,000.00          |
| Total Accounts Receivable              | 907,000.00          |
| Other Current Assets                   |                     |
| 12100 · Security Deposits              | 15,195.50           |
| 12200 · Working Line of Credit Deposit | 5,000.00            |
| Total Other Current Assets             | 20,195.50           |
| Total Current Assets                   | 951,138.62          |
| <b>Fixed Assets</b>                    |                     |
| 15000 · Building                       | 4,550,545.17        |
| 15001 · HVAC                           | 1,193,585.62        |
| 15002 · Plumbing                       | 522,193.70          |
| 15003 · Flooring                       | 372,995.51          |
| 15004 · Electrical                     | 820,590.11          |
| 15005 · Land                           | 342,300.74          |
| 15006 · Loan Fees                      | 23,878.26           |
| 15007 · HVAC Improvments               | 32,750.00           |
| 17000 · Accumulated Depreciation       | -349,746.93         |
| 17500 · Accumulated Amortization       | -889.72             |
| Total Fixed Assets                     | 7,508,202.46        |
| <b>TOTAL ASSETS</b>                    | <b>8,459,341.08</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                     |
| <b>Liabilities</b>                     |                     |
| <b>Current Liabilities</b>             |                     |
| Accounts Payable                       |                     |
| 20000 · Accounts Payable               | 336,281.71          |
| Total Accounts Payable                 | 336,281.71          |
| Total Current Liabilities              | 336,281.71          |
| <b>Long Term Liabilities</b>           |                     |
| 25000 · Wells Fargo - Note Payable     | 3,605,595.78        |
| 25100 · SBA - Note Payable x2109       | 2,401,043.66        |
| 26000 · Loan Payable USB x5038 Rabe    | 31,437.52           |
| Total Long Term Liabilities            | 6,038,076.96        |
| Total Liabilities                      | 6,374,358.67        |
| <b>Equity</b>                          |                     |
| 30800 · Members Contribution           | 11,066.20           |
| 32000 · Members Equity                 | 1,603,053.18        |
| Net Income                             | 470,863.03          |
| Total Equity                           | 2,084,982.41        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>8,459,341.08</b> |

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**2374 Village Common Drive, LLC**

06/05/20

**Profit & Loss**

Accrual Basis

January through March 2020

|                                 | Jan - Mar 20     |
|---------------------------------|------------------|
| Ordinary Income/Expense         |                  |
| Income                          |                  |
| 47400 · Rental Income           | 300,000.00       |
| Total Income                    | 300,000.00       |
| Gross Profit                    | 300,000.00       |
| Expense                         |                  |
| 60400 · Bank Service Charges    | 65.62            |
| 60450 · Business Insurance      | 3,826.50         |
| 62510 · Elevator Expense        | 4,394.00         |
| 62511 · Fire Protection         | 2,279.51         |
| 63400 · Interest Expense        | 89,950.06        |
| 63410 · Janitorial Services     | 2,025.00         |
| 63411 · Lawn Maintenance        | 1,980.00         |
| 63450 · Legal Expense           | 103.50           |
| 63451 · Legal Reimbursable      | 0.00             |
| 63500 · Management Fee          | 1,950.00         |
| 66750 · Refuse                  | 660.00           |
| 67200 · Repairs and Maintenance | 7,407.85         |
| 67210 · Sales Tax               | 0.00             |
| 67810 · Snow Removal            | 3,559.15         |
| 68000 · Taxes - Property        | 66,473.54        |
| 68600 · Utilities               | 22,391.40        |
| Total Expense                   | 207,066.13       |
| Net Ordinary Income             | 92,933.87        |
| Other Income/Expense            |                  |
| Other Income                    |                  |
| 70400 · Interest Income         | 3.22             |
| Total Other Income              | 3.22             |
| Net Other Income                | 3.22             |
| Net Income                      | <b>92,937.09</b> |

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**2374 Village Common Drive, LLC**

06/05/20

**Profit & Loss**

Accrual Basis

January through December 2019

|                                   | Jan - Dec 19      |
|-----------------------------------|-------------------|
| <b>Ordinary Income/Expense</b>    |                   |
| Income                            |                   |
| 47400 · Rental Income             | 1,200,000.00      |
| <b>Total Income</b>               | 1,200,000.00      |
| <b>Gross Profit</b>               | 1,200,000.00      |
| Expense                           |                   |
| 60000 · Advertising and Promotion | 500.00            |
| 60400 · Bank Service Charges      | 175.00            |
| 60450 · Business Insurance        | 14,647.25         |
| 62510 · Elevator Expense          | 7,907.26          |
| 62511 · Fire Protection           | 5,780.99          |
| 62550 · Heating & Cooling         | 1,327.03          |
| 63400 · Interest Expense          | 352,101.00        |
| 63410 · Janitorial Services       | 7,425.00          |
| 63411 · Lawn Maintenance          | 6,123.55          |
| 63420 · Licenses & Fees           | 384.28            |
| 63450 · Legal Expense             | -8,479.70         |
| 63451 · Legal Reimbursable        | 42.50             |
| 63500 · Management Fee            | 7,800.00          |
| 64900 · Office Supplies           | 0.00              |
| 66100 · Plumbing Expense          | 561.39            |
| 66710 · Property Taxes            | 170,523.34        |
| 66750 · Refuse                    | 2,640.00          |
| 67200 · Repairs and Maintenance   | 43,966.80         |
| 67210 · Sales Tax                 | 65.01             |
| 67810 · Snow Removal              | 6,209.80          |
| 68100 · Telephone Expense         | 405.47            |
| 68600 · Utilities                 | 109,112.57        |
| <b>Total Expense</b>              | 729,218.54        |
| <b>Net Ordinary Income</b>        | 470,781.46        |
| <b>Other Income/Expense</b>       |                   |
| Other Income                      |                   |
| 70400 · Interest Income           | 81.57             |
| <b>Total Other Income</b>         | 81.57             |
| <b>Net Other Income</b>           | 81.57             |
| <b>Net Income</b>                 | <b>470,863.03</b> |

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2374 Village Common Drive, LLC

06/05/20

**Statement of Cash Flows**

January through March 2020

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|  | Jan - Mar 20     |
|--|------------------|
| <b>OPERATING ACTIVITIES</b>  |                  |
| Net Income   | 92,937.09        |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                  |
| 11000 · Accounts Receivable  | -90,000.00       |
| 20000 · Accounts Payable   | 66,612.91        |
| Net cash provided by Operating Activities                                  | 69,550.00        |
| <b>FINANCING ACTIVITIES</b>  |                  |
| 25000 · Wells Fargo - Note Payable   | -28,284.83       |
| 25100 · SBA - Note Payable x2109   | -27,143.64       |
| 26000 · Loan Payable USB x5038 Rabe  | -1,968.72        |
| Net cash provided by Financing Activities                                  | -57,397.19       |
| Net cash increase for period   | 12,152.81        |
| Cash at beginning of period  | 23,943.12        |
| Cash at end of period  | <b>36,095.93</b> |

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2374 Village Common Drive, LLC

06/05/20

**Statement of Cash Flows**

January through December 2019

|  | Jan - Dec 19     |
|--|------------------|
| <b>OPERATING ACTIVITIES</b>  |                  |
| Net Income   | 470,863.03       |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                  |
| 11000 · Accounts Receivable  | -355,000.00      |
| 20000 · Accounts Payable   | 124,427.55       |
| Net cash provided by Operating Activities                                  | 240,290.58       |
| <b>INVESTING ACTIVITIES</b>  |                  |
| 15006 · Loan Fees  | -152.50          |
| 15007 · HVAC Improvements  | -32,750.00       |
| Net cash provided by Investing Activities                                  | -32,902.50       |
| <b>FINANCING ACTIVITIES</b>  |                  |
| 25000 · Wells Fargo - Note Payable   | -107,859.48      |
| 25100 · SBA - Note Payable x2109   | -128,205.99      |
| 26000 · Loan Payable USB x5038 Rabe  | 31,437.52        |
| Net cash provided by Financing Activities                                  | -204,627.95      |
| Net cash increase for period   | 2,760.13         |
| Cash at beginning of period  | 21,182.99        |
| Cash at end of period  | <b>23,943.12</b> |

2374 Village Common Drive, LLC summary of operations:

2374 Village Common Drive, LLC, is a real estate holding company that operates and maintains the building and land at 2374 Village Common Drive. It rents office space to small to medium businesses. It contracts with a building manager to maintain and manage the heating, ventilation, and air conditioning (HVAC), plumbing, electrical, security, and other building systems. It cleans and maintains common areas including lobbies and lounges, restroom facilities, elevators, the parking lot, and landscaped areas.

Lizabeth Gerber, MBA  
Bookkeeper  
Van Cleve Payroll and Bookkeeping, Inc.